

Message Text

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ACTION NEA-10

INFO OCT-01 EUR-12 ISO-00 CIAE-00 DODE-00 PM-05 H-01
 INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02
 SS-15 USIA-06 IO-13 AID-05 EA-10 EB-08 AGRE-00
 TRSE-00 OES-07 /112 W
 -----039041 301105Z /12

R 300930Z DEC 77
FM AMEMBASSY DACCA
TO SECSTATE WASHDC 7577
INFO AMEMBASSY COLOMBO
AMEMBASSY ISLAMABAD
AMEMBASSY KATHMANDU
AMEMBASSY LONDON
AMEMBASSY NEW DELHI
CINCPAC

C O N F I D E N T I A L SECTION 1 OF 2 DACCA 7479

CINCPAC FOR POLAD

E.O9 11652: GDS
TAGS: ECON PINT SPOP BG
SUBJECT: YEAR END SUMMARY

SUMMARY. IN COMPARISON WITH THE TRIALS AND TRIBULATIONS
UNDERGOING BY BANGLADESH IN ITS FEW PRECEDING YEARS OF
INDEPENDENCE, 1977 WAS A GOOD YEAR. PRESIDENT ZIA'S
LONG-TERM POLITICAL PLANS, THOUGH STILL EVOLVING, BECAME
CLEARER; HE EVIDENTLY ENVISAGES A STRONG POSITION FOR HIMSELF
AS PRESIDENT, BUT HE HAS ENCOUNTERED A MARKED LACK OF ENTHUSIASM
FOR THAT IDEA AMONG THE ESTABLISHED POLITICAL FORCES.
HOWEVER, LOCAL ELECTIONS WERE HELD AND A LARGE NUMBER OF
DETAINEES RELEASED. ECONOMIC CONDITIONS REMAIN DISHEARTENING
AND POPULATION PROBLEMS OVERWHELMING. END SUMMARY.

1. BANGLADESH WAS THE ONLY MAJOR COUNTRY IN SOUTH ASIA NOT
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TO EXPERIENCE A CHANGE IN ITS HEAD OF GOVERNMENT DURING
1977, AND ENTERS 1978 WITH PRESIDENT ZIAUR RAHMAN STILL
VERY MUCH IN CHARGE. DESPITE THE SMALL-SCALE MUTINY IN
SEPTEMBER/OCTOBER, AND FREQUENT RUMORS OF DISSENSION
AMONG SENIOR ARMY OFFICERS, ZIA'S CONTROL OF THE ARMED
FORCES REMAINS ADEQUATE. A MAJOR RE-SHUFFLE OF SENIOR
ARMY OFFICERS WAS CARRIED OUT IN NOVEMBER/DECEMBER WITHOUT

ANY OVERTLY-EXPRESSED RELUCTANCE ON THE PART OF THOSE SHIFTED. MOST OF THE MARTIAL LAW ADMINISTRATION STRUCTURE (INCLUDING THE TWO POSITIONS OF DEPUTY CHIEF MARTIAL LAW ADMINISTRATOR) HAS BEEN ABOLISHED DURING RECENT MONTHS. IN DECEMBER THE COUNCIL OF ADVISORS TO THE PRESIDENT (READ CABINET) WAS EXPANDED SOMEWHAT BY THE REALIGNMENT OF SEVERAL MINISTRIES AND MOST PORTFOLIOS WERE SHIFTED DURING THE YEAR. NO ACTIVE-DUTY MILITARY PERSONNEL NOW HOLD ADVISOR PORTFOLIOS EXCEPT THAT ZIA HAS RETAINED HOME, DEFENSE, AND FINANCE. IN GENERAL, THE NEW ADVISORS APPEAR TO BE A CUT ABOVE THEIR PREDECESSORS, ALTHOUGH AT LEAST TWO (ENAYETHULLAH KHAN IN LAND REFORM AND ZAKARIA CHOUDHURY IN MANPOWER DEVELOPMENT) ARE NOT GENERALLY WELL REGARDED.

2. DURING 1977 THERE WAS REAL IF LIMITED PROGRESS TOWARD DEMOCRATIZATION OF THE COUNTRY. UNION PARISHED AND MUNICIPAL ELECTIONS WERE SUCCESSFULLY HELD, ALBEIT NOT ON A PARTY BASIS. SEVERAL MINOR PARTIES WERE PROSCRIBED FOLLOWING THE MUTINIES; THE MAJOR PARTIES, THE AWAMI AND MUSLIM LEAGUES, REMAIN IN LIMBO, HOPING THAT ADMINISTRATIVE AND ELECTORAL DEVELOPMENTS WILL REOPEN THE DOOR TO PARTY PARTICIPATION IN THE NATIONAL GOVERNMENT BUT LACKING ISSUES AND PERSONALITIES TO FORCE MAJOR CHANGES. SEVERAL THOUSAND DETAINEES WERE RELEASED DURING 1977, MANY OF THEM MINOR FIGURES IMPRISONED SINCE BEFORE MUJIBBZS FALL; THE NUMBER OF THOSE NEITHER TRIED NOR

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RELEASED REMAINS A CLOSELY-GUARDED SECRET, AND THE PROPORTION HELD FOR PURELY POLITICAL REASONS (AS CONTRASTED WITH THOSE BELIEVED TO HAVE BEEN INVOLVED IN ACTS OF VIOLENCE) IS ALSO UNKNOWN.

3. ZIA'S OWN PLANS HAVE BECOME SOMEWHAT CLEARER. IN APRIL HE BECAME PRESIDENT. HE RECEIVED AN OVERWHELMING VOTE OF CONFIDENCE IN THE MAY 30 PLEBSCITE, NOT SURPRISING IN VIEW OF THE GOVERNMENT'S CONTROL OF THE ELECTORAL MACHINERY AND THE LACK OF ANYTHING (OR ANYBODY) ELSE TO VOTE FOR. (ZIA'S 19-POINT PROGRAM, WHICH OSTENSIBLY CONTINUES TO BE THE BASIS FOR GOVERNMENT POLICY, IS UNEXCEPTIONABLE BLAND). IN DECEMBER HE ANNOUNCED HIS DECISION TO FORM A POLITICAL FRONT. HE IS NOW FEELING HIS WAY TOWARD A FURTHER LEGITIMIZATION OF HIS POSITION AS PRESIDENT, POSSIBLY BY A PRESIDENTIAL ELECTION AS EARLY AS NEXT SPRING. IN APRIL NATIONAL GENERAL ELECTIONS WERE POSTPONED UNTIL DECEMBER 1978, AS PRECEDENT WHICH COULD BE REPEATED. OF MORE INTEREST ARE THE QUESTIONS OF WHAT THESE ELECTIONS WOULD BE FOR: A NEW PARLIAMENT? A CONSTITUENT ASSEMBLY? AND WHAT THE RELATIONSHIP OF A NEW REPRESENTATIVE BODY WOULD BE TO THE ADMINISTRATION AND THE

PRESIDENT. IN ADDITION TO REMAINING CHIEF MARTIAL LAW ADMINISTRATOR, ZIA HAS HELD ON TO THE JOB OF CHIEF ARMY STAFF (ALTHOUGH HE NO LONGER USES HIS MILITARY RANK OUTSIDE MILITARY CIRCLES); SOME COVET THAT JOB, OTHERS RESENT ZIA'S BEING BOTH MILITARY AND CIVILIAN SIMULTANEOUSLY; BUT HE EVIDENTLY IS WILLING TO CUT HIMSELF LOOSE FROM HIS POWER BASE, ALTHOUGH HIS DEPUTY, GENERAL ERSHAD, PERFORMS ALMOST ALL THE DUTIES OF THE POSITION.

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4. INTERNATIONALLY, ZIA HAS HAD CONSIDERABLE SUCCESS IN MENDING FENCES. INDO-BANGLADESH RELATIONS APPEAR TO BE HEALTHIER AND MORE REALISTIC THAN FOR A NUMBER OF YEARS WITH AN AGREEMENT ON FARAKKA WATERS AND THE CESSATION (OR AT LEAST A GREAT DIMINUTION) OF INDIAN SUPPORT FOR CROSS-BORDER ACTIVITIES BY MISCREANTS" DEDICATED TO ZIA'S OVERTHROW. ZIA'S FAST STATE VISITS IN DECEMBER TO KATHMANDU, NEW DELHI, AND ISLAMABAD WERE REPORTEDLY WELL RECEIVED. HIS RED-CARPET VISIT TO PEKING IN EARLY JANUARY LED TO IMPROVED, THOUGH NOT INTIMATE, RELATIONS WITH THE PRC. RELATIONS WITH THE USSR SEEM TO BE MARKING TIME; THE SOVIETS HAVE HELD BACK ON BOTH MILITARY AND

ECONOMIC AID IN RECENT YEARS (ALTHOUGH THERE ARE NOW
REPORTS OF RENEWED INTEREST) AND THE BANGLADESHIS RE-
MAIN FRIGHTENED OF COMMUNIST INTENTIONS IN THEIR
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REGARD. IN 1977 BANGLADESH BECAME INCREASINGLY ALIGNED
WITH THE ISLAMIC BLOC; IT IS WIDELY BELIEVED THAT DROPPING
"SECULARISM" FROM THE CONSTITUTION WAS A BOW TO HOPES FOR
INCREASED AID FROM THE OIL-RICH ARAB COUNTRIES. ZIA ALSO PAID
BRIEF VISITS TO IRAN AND SAUDI ARABIA. THE NEW YEAR WILL
START WITH VISITS HERE BY THE BRITISH PRIME MINISTER AND
THE NEPALESE KING.

5. THE FACT IS THAT FOR ALMOST EVERYONE IN THIS COUNTRY
THE ECONOMIC PROBLEMS FACING BANGLADESH ARE FAR MORE
PRESSING AND IMPORTANT THAN THE POLITICAL ONES. 1977
WILL PROBABLY PROVE TO HAVE BEEN A GOOD YEAR FOR
AGRICULTURAL PRODUCTION AND INCOME, BY FAR THE MOST
IMPORTANT ECONOMIC DETERMINANTS. THERE HAVE BEEN FEW
AUTHENTICATED REPORTS OF STARVATION AND MOST BENGALIS
SEEM TO HAVE ENOUGH (BARELY) TO EAT⁹ BUT EVEN WITH GOOD
CROPS, THE COUNTRY REMAINS DEPENDENT ON IMPORTS FOR AT
LEAST 10 PER CENT OF ITS FOOD; STRUCTURAL FACTORS SUCH AS
THE PERCEIVED POLITICAL NECESSITY FOR KEEPING FOODGRAIN
PRICES LOW, LAND OWNERSHIP PATTERNS, AND RECURRENT
PROBLEMS IN FERTILIZER AVAILABILITY AND DISTRIBUTION,
INHIBIT CLOSING THIS GAP. INDUSTRIAL OUTPUT WAS
STAGNANT AND THE RATE OF NEW INVESTMENT UNSATISFACTORY.
ALTHOUGH A NUMBER OF NATIONALIZED PLANTS HAVE BEEN
TURNED OVER OR RETURNED TO PRIVATE OWNERS AND THE GOVERN-
MENT SEEMS CONVICTED THAT SOME FURTHER DEGREE OF FREEDOM
OF ENTERPRISE WOULD BE VASTLY MORE EFFICIENT THAN
"SOCIALISM," THERE ARE NO SIGNS OF DENATIONALIZING THE
COSTLY AND INEFFICIENT JUTE INDUSTRY (BANGLADESH'S
PRINCIPAL FOREIGN EXCHANGE EARNER), AND THE TEXTILE
INDUSTRY, IMPORTANT BOTH AS SUPPLIER AND EMPLOYER, REMAINS
IN THE DOLDRUMS. THE GOVERNMENT REMAINS HEAVILY DEPENDENT
ON FOREIGN AID TO FINANCE DEVELOPMENT EXPENDITURES AND
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IMPORTS EXPORTS ROSE BY 48 PER CENT. IN FY 1977 THANKS
TO HIGH WORLD PRICES FOR JUTE AND TEA, BUT AID STILL
FINANCES ABOUT HALF OF BANGLADESH'S IMPORTS. THE GOVERNMENT
LOOKS TO NON-TRADITIONAL EXPORTS SUCH AS HIDES AND SKINS,
SHRIMP AND PAPER, AND HEAVY REMITTANCES FROM BANGLADESHIS
NOW WORKING IN THE MIDDLE EAST, TO CLOSE ITS HUGE TRADE

GAP. BECAUSE THE ECONOMY PRODUCES TOO LITTLE TO SUPPORT RAPID EXPORT GROWTH OR TO MOBILIZE SUBSTANTIALLY INCREASED DOMESTIC RESOURCES, THE GOVERNMENT CONTUNUES TO LOOK TO DONOR COUNTRIES AND THE IFI. TO FINANCE MAJOR CAPITAL INVESTMENT.

6. ON BALANCE, 1977 WAS A GOOD YEAR FOR BANGLADESH -- AS COMPARED WITH THE EARLIER YEARS OF ITS BRIEF INDEPENDENT HISTORY. BUT EVEN A GOOD YEAR, I.E. ONE WITHOUT LARGE-SCALE NATURAL DISASTERS, HAS BROUGHT THE COUNTRY NO CLOSER TO A SOLUTION TO THE APPALLING AND INEXORABLE GROWTH OF POPULATION. IN A MUCH PUBLICIZED MAJOR EFFORT EARLY IN THE SPIRNG SOME 75,000 PEOPLE WERE STERILIZED, BUT SINCE THE FALL OF INDIRA GANDHI'S GOVERNMENT IN INDIA (IN PART OVER STERILIZATION SCANDALS) THAT PROGRAM IN BANGLADESH HAS RECEIVED LESS EMPHASIS. THE DEMOGRAPHERS DISPUTE ABOUT THE PROBLEM POPULATION AT THE END OF THIS CENTRY -- THE ESTIMATES VARY FROM 130 TO 160 MILLION. RURAL UNEMPLOYMENT IS HUGE AND GROWING, AND THERE IS NO RELIEF TO BE FOUND IN THE CITIES. UNDER ZIA'S PRAGMATIC AND GENERALLY LOW-KEY LEADERSHIP BANGLADESH HAS BEEN RELATIVELY STABLE FOR TWO YEARS NOW, AND THERE SEEMS TO BE REAL PROGRESS ON THE POLITICAL SIDE, BUT THE ENTIRE SUPERSTRUCTURE OF THE SOCIETY -- THE LEADERSHIP AND ADMINISTRATIVE CADRES -- IS THOUGHT TO BE VERY FRAGILE, WITH FAR TOO MUCH RESTING ON ONE MAN'S SHOULDERS. THE PROSPECTS REMAIN ABOUT AS BLEAK AS ONE CAN IMAGINE IN THIS OFTEN LOVELY LAND.

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TRIALS
Control Number: n/a
Copy: SINGLE
Sent Date: 30-Dec-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977DACCA07479
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D780002-1236
Format: TEL
From: DACCA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t1977125/aaaaadld.tel
Line Count: 251
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: d481e002-c288-dd11-92da-001cc4696bcc
Office: ACTION NEA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 5
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 23-Nov-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 214285
Secure: OPEN
Status: NATIVE
Subject: YEAR END SUMMARY SUMMARY. IN COMPARISON WITH THE TRIALS AND TRIBULATIONS UNDERGOING BY BANGLADESH IN ITS FEW PRECEDING YEAR
TAGS: ECON, PINT, SPOP, BG
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/d481e002-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009